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Office of the Secretary Federal Communications Commission Washington, DC 20554

FCC MAIL ROOM

RE: Comments by Paragraphs of MM Docket No. 94-131 regarding amendments of Parts 21 and 74 of FCC rules in the MDS and ITFS.

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Dear Secretary:

Comment on Para. III.7., 9., and 10.

I fail to see why the Commission would choose to change the way license applications are currently filed. The present set of rules using potential interference to define where systems may be built would seem to be a common-sense approach. While it is initially simpler to process applicants by geographical area, it is not practical from an engineering and construction point of view since it fails to account for interference between stations. Where the interference rules currently in place now have been followed there are few interference problems.

I think the fear of speculative filings is totally overdone. Many of the previous license mills are now defunct and the competitive bidding process and one-day filing window removes their reason for existing. Because of the competitive bidding process, there should be no need to allow only existing system operators and licensees to file in the first window. Obviously the channels in an area are worth more to the local operator than anyone else, and the marketplace will place a value on them through the competitive bidding process. If the FCC wants to limit the number of applications, it should require Long Form Applications to be initially submitted. The cost of doing Long Form Applications, plus the time involved doing them will limit the number of applications to FCC will receive.

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Comment on Para. III.8.

Concerning the proposal to change the 15-mile radius definition of a Protected Service Area: I believe it would be difficult with so many systems either about to be built, in the process of being built, or already built. My fear is that systems partially built could be inadvertently blocked forever from increasing power or adding channels. We are way too far along in the game to change the interference rules.

Comment on Para. III.11.

I think the Commission is needlessly trying to preempt the marketplace. Very obviously, large metropolitan areas will have more interest than a sparsely populated area like eastern Montana. Why tell people where they can apply. An initial Long Form filing is needed just to prove a proposed site is feasible from an interference standpoint. This proposal would seem to fail to consider what the FCC would do if an auction winner cannot meet the required interference rules.

Comment on Para. III.12 and 13.

This would seem to be the most reasonable and fair approach. The marketplace determines the filings. It is more work initially for the FCC, but in the long term will yield the best results for the general public. To help avoid daisy-chains the amendments should be allowed to include those which resolve mutual exclusivity problems between sites. To break the effect of a daisy-chain, the FCC could conduct multi-part auctions wherein the sites mutually exclusive with the high bidder would be elimina-ted. After their elimination, the auction would start again between the remaining mutually exclusive sites (minus the initial high bidder), with the sites mutually exclusive with the high bidder being eliminated. This could continue into a third and fourth round. It may also be a good idea to allow a short period for amendments to be submitted to allow further breaking of the daisy-chain before the second auction.

Comment on Para. III.14.

I think this proposal unfairly limits some individuals who have been patiently waiting for the filing window to open so they can file in an area. Obviously the existing operator is going to file for more channels on its site, and can likely pay the most for them. There are other potential operators waiting to file also; why delay them? Let the marketplace decide what should be filed.

Comment on Para. III.15.

Simple use of the formula is not an accurate way of determining interference. Terrain blockage must be considered, particularly on a receive site which directly sees both the desired and undesired stations. If the Commission would want to reduce its work load, it would examine adjacent-channel MDS stations only as far as 25 miles away, rather than 100 miles, and co-channel stations only far enough out that a signal reaches their protected area, rather than a mandatory 100 miles.

Comment on Para. III.16.

No Comment

Comment on Para. III.17.

The horizontal relative field strengths of the directional antenna would seem to be something which would not have to be submitted since the transmitting antenna characteristics are readily available from the manufacturer. If the intent of this proceeding is to reduce the amount of information submitted, this would seem to be a voluminous item which could be eliminated.

Comment on Para. III.18, 19, and 20.

Currently it is almost impossible to do an interference study without graphic representations or maps. In the future it will become even more necessary to use graphic representation and maps. While the use of the electronic filing is a good way of up-dating the FCC database, it may not work very well for the inter- ference study portion of the application. The FCC should possibly consider a hybrid system using both paper and electronics.

Comment on Para. III.21.

No Comment

Comment on Para. III.22 and 23.

The geographical approach will probably not work because of interference problems. I think it must be remembered that we are dealing with relatively few channels (many of the others are already on the air) in diverse locations. The only commonality with regard to these sites is the effect of interference. Since interference is so dependent on terrain, it inherently becomes time consuming to evaluate its effects and thereby makes it al-most impossible to find a simple solution to allocating territory for auction. I think that if a Long Form Application is required initially there is not going to be a large number of bidders except in those MSAs where there are at least seven channels open. Use of the Long Form Application before the auction will point out to the potential bidder whether it is even possible to get a set of channels because of interference.

Comments on Para. III.24.

If rural telephone companies are included, than rural electric cooperatives should also be included since a certain amount of them also operate MDS systems.

Comment on Para. III.25.

Setting a minimum price would serve to defeat the purpose of the auction. The idea it would seem is to get the channels on the air. The marketplace will set the price.

Sincerely,

John Dalager, Pres.

Dalager Engineering Co.

JD/jm